

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2494 - HB 3002

February 22, 2012

SUMMARY OF BILL: Authorizes any existing local education agency (LEA) to convert to a special school district.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Other Fiscal Impact – State BEP money will transfer from the city or county school system to the new special school district. Local government revenue and expenditures from a city or county government will shift to the special school district. This amount cannot reasonably be quantified but is estimated to exceed \$100,000 and will be permissive.

Assumptions:

- State BEP formula and allocations are unchanged.
- Special school districts will be autonomous from the city or county government.
- The county or city government will no longer issue debt or levy taxes for maintenance of the LEA that becomes a special school district. Debt issuance and taxing authority will transfer to the special school district. Any current LEA debt will transfer to the special school district.
- If a county LEA converted to a special school district, the county will continue to implement a county tax to support the school district.
- Special school districts will require separate audits. Any increase in state expenditures to conduct such audits will be not significant and will be conducted within the Comptroller of the Treasury's normal auditing process.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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